

**NATCHITOCHEs PARISH
FIRE PROTECTION DISTRICT NO. 6**

**FINANCIAL REPORT
DECEMBER 31, 2008**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/3/09

**Natchitoches Parish Fire Protection District No. 6
Financial Report
December 31, 2008**

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NATCHITOCHE PARISH FIRE PROTECTION DISTRICT NO. 6

**114 Magnolia Avenue
Natchitoches, LA 71457**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34. Certain comparative information is presented to provide an overview of the District's operations.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending. The District is a component unit of the Natchitoches Parish Police Jury. The District maintains only one fund, the general fund, through which all of its operations are conducted.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Assets

	<u>2008</u>	<u>2007</u>
ASSETS:		
Assets	\$ 705,601	\$ 648,635
Capital Assets, Net of Accumulated Depreciation	<u>1,014,857</u>	<u>966,838</u>
Total Assets	<u>\$1,720,458</u>	<u>\$1,615,473</u>
LIABILITIES:		
Accounts Payable	\$ 489	\$ 3,800
Long-term Debt	0	66,907
Due to Other Governments	<u>419</u>	<u>0</u>
Total Liabilities	<u>\$ 908</u>	<u>\$ 70,707</u>
NET ASSETS:		
Invested in Capital Assets	\$1,014,857	\$ 899,931
Unrestricted	<u>704,693</u>	<u>644,835</u>
Total Net Assets	<u>\$1,719,550</u>	<u>\$1,544,766</u>

Summary of Statement of Activities

	<u>2008</u>	<u>2007</u>
REVENUES:		
Taxes	\$400,776	\$372,275
Intergovernmental	50,019	44,658
Interest & Miscellaneous	<u>16,909</u>	<u>5,407</u>
Total Revenues	\$467,704	\$422,340
EXPENSES:		
Public Safety	<u>292,920</u>	<u>279,343</u>
Change in Net Assets	<u>\$174,784</u>	<u>\$142,997</u>

- The District's assets exceeded its liabilities by \$1,719,550 (net assets) for the year. For the prior year this was \$1,544,766.
- Unrestricted net assets of \$704,693 represent the portion available to maintain the District's obligation to both citizens and creditors. This is an increase of \$59,858 from prior year.

General Fund Budgetary Highlights

The actual revenues were more than the budgeted amount for the year by \$3,704. Actual expenses were \$4,864 less than the budgeted amount.

Economic Factors and Next Years Budget

The primary revenue source for the District is property taxes. This tax is not subject to changes in the economy, in the short-term. However, in the long-term, significant increases/decreases in the tax base would be evident.

Contacting the Fire District

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the District at 114 Magnolia Avenue, Natchitoches, LA 71457.

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

203 North Abel Street
Winnfield, Louisiana 71483
(318) 628-5655
Fax (318) 628-3988

ACCOUNTANT'S REVIEW REPORT ON THE FINANCIAL STATEMENTS

Natchitoches Parish Fire
Protection District No. 6
114 Magnolia Avenue
Natchitoches, LA 71457

We have reviewed the accompanying financial statements of the governmental activities and major fund of the Natchitoches Parish Fire District No. 6, a component unit of the Natchitoches Parish Police Jury, as of and for the year ended December 31, 2008, which collectively comprise the District's basic financial statements as listed in the Table of Contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of management of the District.

A review consists principally of inquiries of District personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The Management's Discussion and Analysis and budgetary comparison information on pages 1 through 4 and 27, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated March 17, 2009, on the results of our agreed-upon procedures on page 28 through 30. Pages 31 through 32 present the Louisiana Attestation Questionnaire.

Johnson, Thomas & Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's

March 17, 2009
Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

Natchitoches Parish Fire Protection District No. 6
Statement of Net Assets
December 31, 2008

	Governmental <u>Activities</u>
ASSETS:	
Current Assets:	
Cash & Cash Equivalents	\$ 373,135
Accounts Receivable	<u>332,466</u>
Total Current Assets	\$ 705,601
Non-current Assets:	
Capital Assets (Net)	<u>1,014,857</u>
Total Assets	<u>\$1,720,458</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	\$ 489
Due to Other Governments	<u>419</u>
Total Liabilities	\$ <u>908</u>
NET ASSETS:	
Invested in Capital Assets	\$1,014,857
Unrestricted	<u>704,693</u>
Total Net Assets	<u>\$1,719,550</u>

See notes to financial statements.

Natchitoches Parish Fire Protection District No. 6
Statement of Activities
December 31, 2008

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Assets Government Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Public Safety	\$292,920	\$0	\$24,792	\$ (268,128)
General Revenues:				
Taxes:				
Property Taxes				\$ 332,762
Parcel Fee				68,014
State Revenue Sharing				25,227
Interest & Miscellaneous				<u>16,909</u>
Total General Revenues				\$ <u>442,912</u>
Change in Net Assets				\$ 174,784
Net Assets January 1, 2008				<u>1,544,766</u>
Net Assets December 31, 2008				<u>\$1,719,550</u>

See notes to financial statements.

FUND FINANCIAL STATEMENTS

Natchitoches Parish Fire Protection District No. 6
Balance Sheet-Governmental Fund
December 31, 2008

Assets:

Cash & Cash Equivalents	\$373,135
Accounts Receivable	<u>332,466</u>
Total Assets	<u>\$705,601</u>

Liabilities:

Accounts Payable	\$ 489
Due to Other Governments	<u>419</u>
Total Liabilities	\$ 908

Fund Balance:

Unreserved	<u>704,693</u>
Total Liabilities and Fund Balance	<u>\$705,601</u>

See notes to financial statements.

Natchitoches Parish Fire Protection District No. 6
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Assets
December 31, 2008

Total Fund Balance for the Governmental Fund at December 31, 2008	\$ 704,693
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Total Net Assets reported for Governmental Activities
in the Statement of Net Assets is different because:

Capital Assets used in Governmental Activities are not
financial resources and, therefore, are not reported
in the Governmental Fund Balance Sheet.
Those assets consist of:

Land, Equipment, Buildings, and Vehicles	2,303,452
Less, Accumulated Depreciation	<u>(1,288,595)</u>

Total Net Assets of Governmental Activities at December 31, 2008	<u>\$ 1,719,550</u>
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See notes to financial statements.

Natchitoches Parish Fire Protection District No. 6
Statement of Revenues, Expenditures and Changes in Fund Balance-
Governmental Fund
Year Ended December 31, 2008

	<u>Total</u>
REVENUES:	
Taxes	\$400,777
Intergovernmental	45,988
Interest & Miscellaneous	<u>20,939</u>
Total Revenues	<u>\$467,704</u>
EXPENDITURES:	
Current-	
Public Safety-	
Insurance	\$ 30,339
Office Expense	9,768
Telephone & Utilities	8,004
Maintenance & Supplies	60,768
Wages & Fringe	66,571
Capital Expenditures	<u>165,489</u>
Total Public Safety	<u>\$340,939</u>
Debt Service-	
Principal Payments	\$ <u>66,907</u>
Total Debt Service	<u>\$ 66,907</u>
Total Expenditures	<u>\$407,846</u>
Excess of Revenues over Expenditures	\$ 59,858
Fund Balance-Beginning of Year	<u>644,835</u>
Fund Balance-End of Year	<u>\$704,693</u>

See notes to financial statements.

Natchitoches Parish Fire Protection District No. 6
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2008

Total Net Change in Fund Balance at December 31, 2008, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 59,858
The Change in Net Assets reported for Governmental Activities in the Statement of Activities is different because:	
Principal paid on long-term debt is shown as an expenditure in governmental funds, but it reduces long-term debt in the Statement of Net Assets	66,907
Capital Outlay costs which are considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance, are shown as increases in assets on the Statement of Net Assets	165,489
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Depreciation expense for the year ended December 31, 2008	(117,470)
Total changes in Net Assets at December 31, 2008, per Statement of Activities	\$ <u>174,784</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Natchitoches Parish Fire Protection District No. 6
Notes to Financial Statements
December 31, 2008

1. Introduction:

Natchitoches Parish Fire Protection District No. 6 was created by the Natchitoches Parish Police Jury, by ordinance in June 1982, under the provisions of Louisiana Revised Statutes 40:1492-1501, for the purpose of providing fire protection for the citizens of the District. The District is governed by a Board of Commissioners who are resident property taxpayers of the District. The commissioners are approved/appointed by the Natchitoches Parish Police Jury. The District was created to acquire and maintain buildings, machinery, equipment, water tanks, water hydrants and water lines, and any other such things necessary to provide proper fire protection and control within the District.

2. Summary of Significant Accounting Policies:

The accounting and reporting policies of Natchitoches Parish Fire Protection District No. 6 conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*.

A. Reporting Entity-

As the governing authority of the Parish, for reporting purposes, the Natchitoches Parish Police Jury is the financial reporting entity for Natchitoches Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Natchitoches Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

Natchitoches Parish Fire Protection District No. 6
Notes to Financial Statements
December 31, 2008

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury created Fire District No. 6 by ordinance, the District was determined to be a component unit of the Natchitoches Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Basis of Presentation-

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

C. Fund Accounting-

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The District maintains only one fund. It is categorized as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity.

Natchitoches Parish Fire Protection District No. 6
Notes to Financial Statements
December 31, 2008

The major fund of the District is described below:

Governmental Fund-

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

D. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the District as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

Natchitoches Parish Fire Protection District No. 6
Notes to Financial Statements
December 31, 2008

E. Assets, Liabilities, and Equity-

Cash and Interest-Bearing Deposits-

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the District.

Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Furniture, computers	5 years
Firefighting equipment	10 years
Ladders, hoses, air packs	7 years
Radios	10 years
Fire trucks	15 years
Other vehicles	5 years
Buildings	40 years

Equity Classifications-

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt---Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets---Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.

Natchitoches Parish Fire Protection District No. 6
Notes to Financial Statements
December 31, 2008

- c. Unrestricted net assets—All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

F. Budget-

Prior to the beginning of each fiscal year, the Natchitoches Parish Fire Protection District No. 6 adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

G. Estimates-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

3. Cash and Cash Equivalents:

For reporting purposes, cash and cash equivalents include demand deposits, time deposits, and certificates of deposit. At December 31, 2008, the District had cash and cash equivalents (collected bank balances) totaling \$374,236. Cash and cash equivalents are stated at cost, which approximates market. Under Louisiana law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging bank in a holding or custodial bank in the form of safekeeping receipts held by the District. The deposits at December 31, 2008, were secured as follows.

Demand Deposits	\$186,184
Certificates of Deposit	<u>188,052</u>
Total	<u>\$374,236</u>
FDIC Insurance	\$186,184
Pledged Securities	<u>188,052</u>
Total	<u>\$374,236</u>

Natchitoches Parish Fire Protection District No. 6
Notes to Financial Statements
December 31, 2008

Even though the pledged securities are considered uncollateralized (Category #3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

4. Capital Assets:

Capital asset balances and activity for the year ended December 31, 2008, is as follows:

<u>Governmental Activities</u>	<u>Balance 01-01-08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-08</u>
Capital Assets Not Depreciated:				
Construction in Progress	\$ <u>0</u>	\$ <u>142,521</u>	\$ <u>0</u>	\$ <u>142,521</u>
Capital Assets Depreciated:				
Firefighting equipment	\$ 340,321	\$ 22,968	\$ 0	\$ 363,289
Fire trucks	1,580,724	0	0	1,580,724
Buildings	<u>216,918</u>	<u>0</u>	<u>0</u>	<u>216,918</u>
Total Assets	\$ <u>2,137,963</u>	\$ <u>165,489</u>	\$ <u>0</u>	\$ <u>2,303,452</u>
Less, Accumulated Depreciation:				
Firefighting equipment	\$ 185,708	\$ 27,150	\$ 0	\$ 212,858
Fire trucks	936,445	84,897	0	1,021,342
Buildings	<u>48,972</u>	<u>5,423</u>	<u>0</u>	<u>54,395</u>
Total Depreciation	\$ <u>1,171,125</u>	\$ <u>117,470</u>	\$ <u>0</u>	\$ <u>1,288,595</u>
Net Capital Assets	\$ <u>966,838</u>	\$ <u>48,019</u>	\$ <u>0</u>	\$ <u>1,014,857</u>

Depreciation expense of \$117,470 was charged to the public safety function.

5. Compensated Absences:

The District does not carry forward leave from year to year, therefore no entry is made to record compensated absences.

6. Ad Valorem Taxes:

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the District in June or July and are actually billed to taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are recognized as revenue when billed. The Natchitoches Parish Sheriff's office bills and collects property taxes using the assessed values determined by the Tax Assessor of Natchitoches Parish.

Natchitoches Parish Fire Protection District No. 6
Notes to Financial Statements
December 31, 2008

In addition to property taxes, the residents of Fire District No. 6, of Natchitoches Parish voted on and approved a proposition in 1999 to levy and collect an annual parcel fee of \$25 on each lot on which a structure is located. The purpose of this assessment is to provide funds for acquiring, constructing, and maintaining fire protection facilities and equipment. The parcel fees attach as an enforceable lien and are levied in the same manner as property taxes described above. Billing, collection, and assessment determination are also made in the same manner.

For the year ended December 31, 2008, fees of \$73,400 were levied of which the entire amount is included as revenue for the year. Uncollected taxes average less than 1% of the total taxes levied. Accordingly, the District makes no provision for uncollectible taxes.

The Natchitoches Parish Sheriff's office bills and collects property taxes for the District. Collections are remitted to the District monthly. The District recognizes property tax revenues when levied.

Property Tax Calendar

Assessment date	January 1
Levy date	June 30
Tax bills mailed	October 15
Total taxes are due	December 31
Penalties and interest added	January 31
Lien date	January 31
Tax Sale	May 15

The District is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose or, in the aggregate for all purposes 25% of the assessed valuation for the payment of principal and interest on long-term debt after the approval by the voters of the District. Property taxes are recorded as receivables and revenues in the year assessed.

Assessed values are established by the Natchitoches Parish Tax Assessor each year on a uniform basis at the following ratios to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2008. Total assessed value was \$48,142,370 in 2008. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$11,714,130 of the assessed value in 2008. For the year ended December 31, 2008, taxes of 10.0 mils were levied on the property and were dedicated to fire protection. Taxes collected totaled \$332,762, after adjustments from the prior year.

Natchitoches Parish Fire Protection District No. 6
Notes to Financial Statements
December 31, 2008

7. Pension Plan:

Substantially all employees of Fire Protection District No. 6 of Natchitoches Parish are members of the Louisiana Firefighters Retirement System (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees.

Membership in the Louisiana Firefighters Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to three and one-third percent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System annually issues a publicly-available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters Retirement System, Post Office Box 95095, Baton Rouge, Louisiana 70804, or by calling (504) 925-4060.

Funding Policy. Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 15.5 percent of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District's contributions to the System for the years ending December 31, 2008, 2007, and 2006 were \$2,474, \$2,580 and \$4,804, respectfully.

8. Pending Litigation:

There were no civil suits seeking damages against the District outstanding at December 31, 2008.

9. Related Party Transactions:

The District had no identified related party transactions for the year ended December 31, 2008.

Natchitoches Parish Fire Protection District No. 6
Notes to Financial Statements
December 31, 2008

10. Compensation Paid to Board Members:

The members of the Board of Commissioners of the District receive no compensation for their services.

11. Receivables:

The following is a summary of receivables at December 31, 2008:

<u>Class of Receivable</u>	<u>General Fund</u>
Taxes-	
Ad Valorem	\$277,087
Parcel Fee	<u>55,379</u>
Total	<u>\$332,466</u>

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

12. General Long-term Debt:

The note of \$305,404 is from a loan originated on June 18, 2003, with G. E. Capital. The note calls for repayment in five equal annual installments on April 1 of each year at a rate of 4.8946 % with the final installment due on April 1, 2008.

The following is a summary of changes in long-term debt during the year:

	<u>1-1-08</u>	<u>Borrowings</u>	<u>Repayments</u>	<u>12-31-08</u>
G. E. Capital Public Finance	<u>\$66,907</u>	<u>\$0</u>	<u>\$66,907</u>	<u>\$0</u>

**OTHER REQUIRED
SUPPLEMENTARY INFORMATION**

Natchitoches Parish Fire Protection District No. 6
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
REVENUES				
Taxes	\$330,000	\$400,000	\$400,777	\$ 777
Intergovernmental	20,000	49,500	45,988	(3,512)
Interest	3,000	13,000	12,819	(181)
Miscellaneous	<u>0</u>	<u>1,500</u>	<u>8,120</u>	<u>6,620</u>
Total Revenues	<u>\$353,000</u>	<u>\$464,000</u>	<u>\$467,704</u>	<u>\$ 3,704</u>
EXPENDITURES:				
Public Safety-				
Insurance	\$ 23,000	\$ 30,500	\$ 30,339	\$ 161
Office Expense	14,460	11,460	9,768	1,692
Telephone & Utilities	7,000	8,100	8,004	96
Wages & Benefits	61,000	69,200	66,571	2,629
Maintenance & Supplies	384,500	226,150	60,768	165,382
Capital Expenditures	0	0	165,489	(165,489)
Debt Service-				
Principal	64,000	64,000	66,907	(2,907)
Interest	<u>6,500</u>	<u>3,300</u>	<u>0</u>	<u>3,300</u>
Total Expenditures	<u>\$560,460</u>	<u>\$412,710</u>	<u>\$407,846</u>	<u>\$ 4,864</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$(207,460)</u>	<u>\$ 51,290</u>	<u>\$ 59,858</u>	<u>\$ 8,568</u>
Fund Balance-Beginning of Year	<u>644,835</u>	<u>644,835</u>	<u>644,835</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 437,375</u>	<u>\$696,125</u>	<u>\$704,693</u>	<u>\$ 8,568</u>

See accountant's report.

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

203 North Abel Street
Winnfield, Louisiana 71483
(318) 628-5655
Fax (318) 628-3988

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Natchitoches Parish Fire
Protection District No. 6
114 Magnolia Avenue
Natchitoches, LA 71457

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Natchitoches Parish Fire Protection District No. 6 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Natchitoches Parish Fire District No. 6's compliance with certain laws and regulations during the year ended December 31, 2008, included in the Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

PUBLIC BID LAW

1. Select all expenditures made during the year for materials and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures found to be in violation.

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

Members of AICPA
Governmental Audit Quality Center

Members of AICPA
Members of Society of Louisiana CPA's

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided the requested list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedures (2) as immediate family members.

None of the employees included in procedures (3) appeared in procedures (2) as immediate family members.

BUDGETING

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. There was one amendment to the budget during the year.

6. Trace the budget and amendment adoptions to the minute book.

We traced the adoption of the budget and amendment to the minutes of the District. They were adopted by unanimous decisions.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

Actual revenues and expenditures were within the 5% variance allowed.

ACCOUNTING AND REPORTING

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee:

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account:

Each disbursement appeared to be coded correctly.

- (c) determine whether payments received approval from proper authorities:

Inspection of supporting documentation showed written approval. In addition, non-recurring entries were discussed and approved in the minutes.

MEETINGS

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. Management has asserted that such documents were properly posted.

DEBT

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or any other indebtedness which have not been approved by the State Bond Commission.

We inspected copies of all bank deposits for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds, or other indebtedness that had not been approved by the State Bond Commission.

ADVANCES AND BONUSES

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances, or gifts.

We noted no instances which would indicate payments to employees that would constitute advances, bonuses or gifts.

Our prior report dated May 16, 2008, did not contain any comments.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Natchitoches Parish Fire Protection District No. 6 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Johnson, Thomas & Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's

March 17, 2009
Natchitoches, Louisiana

NATCHITOCHES PARISH
FIRE PROTECTION DISTRICT NO. 6

LOUISIANA ATTESTATION QUESTIONNAIRE

Johnson, Thomas & Cunningham, CPA's
321 Bienville Street
Natchitoches, LA 71457

In connection with your review of our financial statements as of December 31, 2008, and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 12-31-08.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14 or the budget requirements of LSA-RS 39:43.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:453, and/or 39:92, as applicable.

Yes ☒ No ☐

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes ☒ No ☐

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 72-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Chairman [Signature]
Board Secretary [Signature]

Date 2/11/09

Johnson, Thomas & Cunningham

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March 17, 2009

Natchitoches Parish Fire District No. 6
114 Magnolia Avenue
Natchitoches, LA 71457

RE: Management Letter
Review Report – December 31, 2008

During our review of the District, the following came to our attention:

1. The December 2008 minutes included a motion and second and unanimous vote to authorize the Treasurer to amend the 2008 budget. A copy of the amended budget dated December 30, 2008, was provided to us. However, the service organization that maintains the District's books did not enter the adjusted budget amounts for the year ended December 31, 2008.
2. In June 2008, the service organization that maintains the District's books deposited a receipt from the Natchitoches Tax Commission into the District's bank account which did not belong to the District, but to another Natchitoches Fire District and this error was not corrected by the end of the year.

We recommend that the District notify its service organization to review their internal control procedures to ensure that all transactions for the District are properly and timely entered into the District's books.

Sincerely,

Johnson, Thomas & Cunningham, CPA's

Johnson, Thomas & Cunningham, CPA's
JTC/sdw

Enclosures

NATCHITOCHE PARISH FIRE PROTECTION DISTRICT #6

114 Magnolia Avenue

Natchitoches, LA 71457

(318) 352-8755

npfd6@op-td.net

May 27, 2009

Louisiana Legislative Auditor
1600 North Third Street
Baton Rouge, LA 70804

The following is our response to the management letter issued to us by the firm Johnson, Thomas and Cunningham, CPA's for the year ended December 31, 2008.

Management's Corrective Action Plan

Condition:

The amended 2008 budget was not entered to the District's books for the year ended December 31, 2008.

Corrective Action:

We will make sure in the future all amended budgets are entered to the District's books immediately following authorization by the Board to amend the budget.

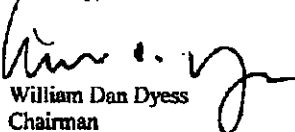
Condition:

A receipt was deposited into the District's checking account which did not belong to Fire District No. 6 but belonged to another Natchitoches Parish Fire District.

Corrective Action:

We have contacted our service organization and have received assurance from them that they will put into place internal control procedures to ensure deposits are made into the proper Natchitoches Fire District's checking account.

Sincerely,


William Dan Dyess
Chairman